

(1) In referring to the fact that "the cost of living will increase by more than 20 percent by the end of 1975, the President's message is predicated the rise in the CPI on an increase of approximately 2 percent a year. Recent indications are that the Consumer Price Index is increasing at the rate of between 3.0 percent and 3.5 percent per year. Therefore, by the end of 1975, the increase over the decade may well be closer to, or exceed, 30 percent.

(2) The more serious fault in the presentation of the data, however, lies in the manner in which the increase in physicians' charges is presented. The statement that "doctors' bills will climb 160 percent" is a composite of increases in fee levels *and* increases in consumption. The best estimate based on recent trends in fees is that levels will increase approximately 60 percent (or less) in the ten-year period; the remainder of this projected 160 percent increase must necessarily be attributable to an increase in the *amount* of services consumed. In any event, the figure which would be comparable to the projected 20 percent increase in consumer prices would be 60 percent *not* 160. It is likely that if a figure for all goods and services had been developed which would have been comparable to the 160 percent increase for physicians' services, there would be even less disparity between the two projections. Therefore, although the statistics employed may have validity standing by themselves, they are misleading because they contain a "mix" of percentages (a) based upon the Consumer Price Index, and (b) based upon *projected expenditures* for medical care, including physicians' services. The casual reader of the Message, or the average interpreter, is therefore likely to draw improper conclusions from the sequence of the data used. That such unwarranted conclusions can be drawn is already evidenced by the numerous reports in the public press which, unfortunately, has accepted the data at face value.

One further observation: the President's message refers to the "cost of living." This term, too, is incorrect inasmuch as the Consumer Price Index is *not* a cost of living index. Although the Bureau of Labor Statistics has been careful to avoid use of the term "cost of living," it is curious to find this expression employed in an important message to the Congress.

The Bureau of Research and Planning can only comment, with dismay, that in juxtaposing two sets of estimates which are derived from different

bases or assumptions, and in using other language of questionable appropriateness, the "credibility gap" relating to physicians' fees has been widened by a wide margin.

The Bureau's hope is that this critique and explanation will enable physicians to inform themselves and others of the facts, including the proper interpretation of the data in the President's Health Message.

New Legislation Proposed to Lighten Malpractice Burden

WITH PROFESSIONAL LIABILITY PREMIUM RATES soaring to heights undreamed of ten, or even five year ago, the CMA is painfully aware of the burden its members are required to bear in order to secure professional liability insurance.

As in the past, the CMA, under the direction of the Medical Review and Advisory Committee, continues to initiate multi-pronged assaults on the myriad problems which are enveloping the provision of physician malpractice insurance. And, a vital part of CMA's action program to improve the "professional liability atmosphere" is the sponsorship of six new bills which have been presented to the current California Legislature.

They are:

- A.B. 574 (Deddeh, Chula Vista), which would provide for a separate trial of the defense of the statute of limitations before any other issue in the case can be tried, upon motion of either party.

- A.B. 1068 (Veysey, Brawley), which would place upon the plaintiff the burden of proving the defendant's negligence, and would establish that injury alone does not constitute either the presumption or inference of negligence.

- A.B. 1069 (Veysey, Brawley), which would extend the present concept of privileged communications to the proceedings and/or records of medical review committees of local medical societies and hospital staffs.

- A.B. 1070 (Veysey, Brawley), would require the plaintiff to file a nominal fee (\$500 cost bond) to discourage the filing of nuisance suits.

- A.B. 1071 (Veysey, Brawley), which would

require that the time limit for commencement of an action against a physician begin with the date of the alleged wrongful act unless fraud or intentional concealment is proven.

- A.B. 1270 (Wilson, San Diego), which would provide that any advance payment by an insurance carrier to an injured party could not be construed as an admission of liability.

In addition to the above, CMA presently contemplates submitting future legislative proposals which would:

(1) Set reasonable limits for damages under personal injury awards to insure that premium rates for this type of coverage will not become prohibitive; and,

(2) Set some boundaries on the doctrine of "informed consent."

California physicians can assist CMA by informing their local State legislators of the serious nature of the malpractice problem and its potentially grave and unfavorable effects upon the provision of health care in California.

Council Highlights

Highlights of the Actions of the California Medical Association Council Meetings, February 23 to 24, 1968, Los Angeles and March 22 to 28, 1968, San Francisco

This summary is published so that CMA membership may be advised in brief of the actions of the Association's Council. It covers only major actions and is not intended as a detailed report. Full minutes of these meetings are available upon any member's request to the CMA office.

541st Meeting, February 23 to 24, 1968, Los Angeles

CMA Mental Health Committee survey of the state's 14 mental institutions was approved for transmittal in summary report form to the state administration.

Medi-Cal developments were discussed and the Council voted approval of a pre-payment risk assumption arrangement plan with the state through California Blue Shield for physicians' services. The Council also voted approval of the recommendation of inclusion of a co-insurance feature for the group II medical indigents beneficiaries under the Medi-Cal program. In addition, the Council voted to oppose the concept of individual negotiated fee schedules under Medi-Cal, and the Council reaffirmed CMA support of "usual, customary, or reasonable fees."

CMA Annual Session meeting dates were considered and the Council voted to submit a resolution to the House of Delegates establishing CMA's

Annual Meeting to be held between 1 February and 15 March of each year.

Award of recognition to Dr. Edwin H. Lennette for outstanding work in virus research was approved for presentation at the CMA's 1968 Annual Session.

CMA Organizational Review and Planning Committee report was approved requesting the Scientific Board to establish an inter-specialty subcommittee charged with continuing efforts to maintain and to improve CMA-specialty and inter-specialty coordination and cooperation.

Communications' Sub-Committee on Component County Society Officers Conference; Roles and Objectives of the Commission; and the Commission on Communications' budget were approved by Council. Also approved was a TV series to be carried by KGO-TV, San Francisco, (Channel 7), in conjunction with the CMA.

New CALPAC chairman Dr. James C. MacLagan was appointed to succeed outgoing chairman Dr. Malcolm C. Todd.